

**Talking Points of Ron Wagner, Executive Director
Oregon State Board of Tax Practitioners**

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Our Mission: The Oregon State Board of Tax Practitioners works to protect consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities.

1. History of Oregon Board of Tax Practitioners

- What were the primary reasons the state felt it necessary to develop its own paid preparer regulatory program?

In 1972, because of an IRS shopping test in which IRS agents posed as taxpayers, a newspaper article appeared nationwide stating that 97% of tax practitioners were either incompetent or dishonest. Many tax practitioners disliked the disparaging publicity and negative reflection on the tax preparation industry. They decided to take action.

2. Who do we regulate?

- Any person who prepares or advises or assists in the preparation of personal income tax returns for another and for valuable consideration or advertises in Oregon to do so. (ORS 673.615)
- Excludes:
 - i. CPA or PA and their employees.
 - ii. Attorneys at law.
 - iii. Full or part-time employees of a business who prepare the income tax return for the business.
 - iv. Tax practitioners who prepare or advise or assist with the preparation of Oregon income tax returns while outside Oregon.

3. Licensing requirements

For Licensed Tax Preparer:

- Meet the qualifications to qualify to take the exam.
- Pass the board administered exam – minimum 75% test score.
- Complete tax preparer initial application and pay appropriate fees.

For Licensed Tax Consultant:

- Meet the qualifications to take the consultant exam.
- Pass the board administered exam – minimum 75% test score.
- Complete the tax consultant application and pay appropriate fees.

- If an EA comes into Oregon must pass the State only portion of Licensed Tax Consultant exam

4. Ongoing qualifications –

- Obtain minimum of 30 hours of continuing education each year.
- Maintain professional standards and state ethics.
- File annual licensing renewal form and pay appropriate fees.

5. What was done right?

- Created two levels of licensure.
- Board is currently self-supporting. The Board receives **NO** state general fund dollars.
- Regulation at the local level.
- Took action.

6. If we had the opportunity to do it all over again what would we do differently?

- Require a specific number of continuing education hours each year must be on tax law update.
- Not allow grandfathering but require all tax practitioners to show competency of tax law.

Recommendations to increase taxpayer compliance and ensure uniform and high ethical standards of conduct for tax preparers:

Consumer Protection

- Competency must be proven - Oregon's model of 2 levels has been extremely successful.
- Continuing Education Requirements.
- Compliance.
- Code of professional conduct.
- Consumer education.
- Coordinated by local jurisdictions.